Casinos in Alberta

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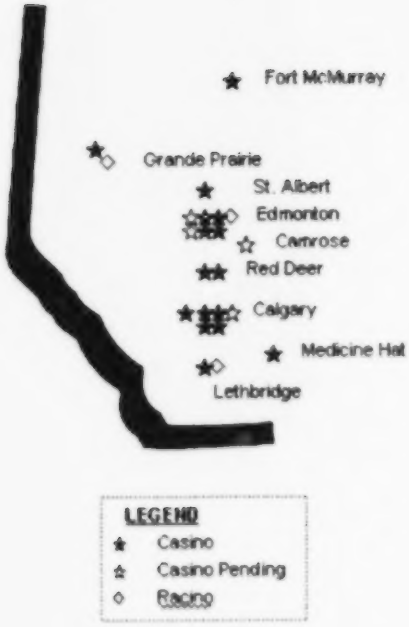

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ORIGINS & DEVELOPMENT OF CASINO GAMBLING

1925 – 1967 – Midways & Traveling Carnival Shows

Casino gambling in the Province of Alberta originated from the gaming activities that were permitted on the midways of traveling carnival shows at agricultural fairs and exhibitions[1]. Prior to 1967, sanctioned gaming consisted of such activities as dart throws, crown-and-anchor wheels, and hoop toss type games of chance and skill (Campbell, 1981).

1967 – 1974 – Casino Events at Agricultural Exhibitions

With the opening of the week-long casino near the Silver Slipper Saloon at the Edmonton Exhibition Grounds during the Klondike Days annual fair in July 1967, the concept of gambling for both entertainment purposes and for generating revenues was born (Campbell, 1981). This took place due to the initiative of Edmonton businessman Bryce Van Dusen and Edmonton's Chief Crown Prosecutor Richard Anthony and it was not the result of provincial policy changes (Beare, Jamieson, & Gilmore, 1988). It is now believed that the casino's blackjack game was technically illegal as the existing Criminal Code exemption for agricultural fairs did not include "21" games.

Two years later, the Frontier Casino on the Calgary Stampede grounds opened for business during that city's annual agricultural exhibition. By 1970, cities such as Lethbridge, Red Deer, and Medicine Hat, Alberta all had introduced and were profiting from casino-style gambling run under the agricultural fair exception (Campbell, 1981).

From 1969 until 1974 the only *major* casinos permitted were those events sponsored by agricultural fairs. According to Campbell (1981), during this six-year span an occasional one-evening casino was permitted, often in conjunction with some philanthropic activity although it is not clear if these events were formally licensed or approved.

LEGAL AUTHORITY FOR CASINO GAMBLING

Section 207 of the *Criminal Code* of Canada establishes the legal foundation for gaming activities. All gambling that occurs in any province or territory must meet the requirements of the Criminal Code. Provincial authorities are permitted to prescribe terms and conditions relating to the conduct, management and operation of licensed lottery schemes (the term "lottery scheme" includes both casino table games as well as slot machines). The Province of Alberta administers and regulates casinos under the provisions of the *Gaming and Liquor Act* (Alberta) and the *Gaming and Liquor Regulation* (Alberta).

Important Dates:

1925 – Criminal Code of Canada formally exempted agricultural fairs and exhibitions from some of the prohibitions against gambling (e.g. bingo, wheels of chance).

1969 -- Criminal Code amendment that authorized provincial governments to manage and conduct lottery schemes and authorized charitable groups to do likewise under license.

1985 -- Amendment to the Criminal Code permitting provincial governments to administer computer and video gaming devices (i.e. VLTs, slot machines).

[1] In 1925, strong lobbying efforts from agricultural fairs and exhibitions led to a Criminal Code amendment that formally exempted agricultural fairs from some of the prohibitions against gambling (Campbell & Smith, 2003).

1975 – 1980 – Proliferation of Temporary Charitable Casino Gambling

In 1975, the Attorney-General's department of the Alberta Provincial Government began to grant multi-day casino licenses in order to assist charitable organizations with the generation of revenue. It is believed that one particular four-day casino event in Calgary in 1975 marked the first major interpretation of a section in the Criminal Code allowing organizations to manage a lottery scheme (Campbell, 1981; Beare, Jamieson, & Gilmore, 1988). Starting in 1976, the casino licensing system was based on "casinos being an alternative fundraising activity by eligible community organizations, which were required to be accountable for the use of proceeds and the conduct and management of casino gambling being the responsibility of the charity" (Alberta Gaming and Liquor Commission, 2001). During this period, commentators have suggested that casinos had undergone a transformation from an entertainment-oriented industry to one that was motivated by fund-raising (Campbell & Ponting, 1984).

1981 – 1990 -- Establishment of Permanent Charitable Casinos

Alberta's first permanent, privately-operated charitable casinos were opened in Calgary (1980 – Cash Casino) and in Edmonton (1981 – Casino ABS). Random draws were held beginning in 1981 to determine the dates when an eligible charity could hold a casino event. During the 1980's, a series of small changes were made to how charitable casinos were permitted to operate (e.g. allowable casinos per week increased to eight from four, number of blackjack tables permitted per casino increased, betting limited raised to $50, etc.).

1990 - 2000 – Significant Growth & Expansion of Casino Gambling

Even before the introduction of slot machines to Alberta casinos and racing entertainment facilities in 1996, the number of permanent casino facilities was increasing. In 1994, there were three permanent casinos in Calgary and well as in Edmonton (Ocean, 1996). By 1995, the number of provincial facilities had increased to 11 full-time casinos and three that operated on weekends (Alberta Gaming and Liquor Commission, 2001). Also during the late 1990s, the casinos themselves were transforming from basic gambling parlours to larger and more sophisticated destinations. Examples of these changes included allowing the doubling of the maximum number of slot machines in casino facilities, for liquor to be served on the gaming floor, and an allowance to operate on Sundays. The profitability of slot machines no doubt helped spur this growth post-1996. Interestingly, Campbell (1997) had accurately predicted that casino management companies and provincial governments in Alberta and British Columbia would not be able to resist the allure of larger "urban" casino-style gambling that was being developed in other Canadian provinces.

Another important development in the development of casino-style gambling in Alberta was the 1996 introduction of slot machines to the Edmonton Northlands horse racing facility as part of an initiative to revitalize the horse racing industry.

2000 - 2004 – Managed Growth of Traditional & First Nations Casino Gambling

Since the moratorium restricting new casino development was removed in 2002, the province has proceeded slowly with respect to increasing the number of licensed casino facilities (although many facilities have expanded). An eight-step process was established to guide new casino facility applications for both traditional casinos and First Nations casinos. A similar process was also developed for use by existing casino facilities intending to expand or relocate. As of December 2004, three traditional casinos (in Edmonton, Calgary, and Camrose) were either nearing the final stage in the regulatory process or were under construction.

The government also announced the First Nations Gambling Policy in January of 2001, which allows for on-reserve casinos. Several First Nations reserves have applied for facility licenses but only the Enoch First Nation (Edmonton) and the Alexis Nakota Sioux Nation (Whitecourt) had reached the final stage in the regulatory process as of December 2004.

References

Alberta Gaming and Liquor Commission. (2001). *Achieving a balance: Gaming licensing policy review*. St. Albert, AB: Author.

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THE "CHARITY MODEL" OF CASINO GAMBLING

In the Province of Alberta, casinos are considered to be a form of charitable gaming. Beginning in 1977, eligible charitable organizations were granted licenses for a two-day period for the purposes of raising revenues by holding casinos (Campbell, 1981). These days, charitable groups that are licensed by the Alberta Gaming and Liquor Commission (AGLC) are responsible for conducting short-term charity casinos. The AGLC issues licenses to private casino facility operators to provide space and services for these casinos to operate. In 2004, there were over 9,800 groups eligible to conduct charitable gaming activities. Charities earned $133-million from casino gaming activities in 2003-2004 according to Alberta Gaming[2].

Campbell and Smith (1998) note that, "while charitable organizations have thrived on gambling proceeds, another beneficiary of this regulatory format has been the private sector service industry that supplies gaming expertise, gaming equipment, and gaming venues."

Casino & Racino Venues

There were sixteen licensed permanent casino facilities in the province as of March 31st, 2004. In addition to permanent casinos, each year the AGLC approves temporary casinos at major exhibitions and summer fairs which generally include both slot machines and table games. Examples include the Calgary Stampede and Edmonton's Klondike Days.

Gaming facilities with slot machines adjacent to licensed race tracks that offer live horse racing are known as Racing Entertainment Centres (RECs). In many jurisdictions, these facilities are commonly known as *racinos*. A portion of the revenues earned at RECs goes to support the horse breeding and racing industry as per the Racing Industry Renewal Initiative. The three RECs in the province as of March 31st, 2004 were located in Edmonton, Grande Prairie, and Lethbridge.

[2] "Gaming in Alberta – Quick Facts (October 2004)" URL: http://www.gaming.gov.ab.ca/pdf/quickfacts/quickfacts_gaming.pdf

Slot Machines & Video Lottery Terminals – How They Differ

Video Lottery Terminals (VLTs) and slot machines are both freestanding, interactive, computer-run, devices that offer various games of chance (often simulated casino games such as poker, keno and blackjack) whose outcome is determined by a preprogrammed microchip (Smith & Wynne, 2004).

They differ in the following ways:

- VLTs record wins and losses as credits on the terminal screen. To redeem credits, players press a button to produce a receipt or "cashout ticket" that can be redeemed by the VLT retailer. In comparison, slot machines pay prizes in the form of coins dispensed in the tray of the machine which are then immediately accessible to the player.
- In terms of location, VLTs in Alberta are confined to licensed/age-restricted establishments such as bars, taverns and lounges (which may, in turn, be located in a casino). In contrast, slot machines are found only in licensed gambling venues, either casinos, racetracks, or major summer fairs licensed to operate them.
- The division of net revenue differs between VLTs and slot machines. VLT retailers receive a commission of 15% of VLT net revenue and 85% is placed into the Alberta Lottery Fund. Casino slot machine revenue is paid to facility operators (15%), charities operating a licensed casino event (15%), and the Alberta Lottery Fund (70%).

References

Alberta Gaming and Liquor Commission. (2001). *Achieving a balance: Gaming licensing policy review*. St. Albert, AB: Author.

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ALLOCATION OF CASINO GAMBLING REVENUES

Table Games in Casinos

Casino facility operators receive a percentage of the total win from table games. Charities initially receive all proceeds from table games and, from this, they pay casino facility operators a fixed fee for service (50% in Calgary and Edmonton, 65% in St. Albert, and 75% elsewhere). Facility operators are also paid 75% of the net from craps and poker dealer services. Racing Entertainment Centres do not offer table games.

In 2003-2004, sales on casino table games totaled approximately $621.9-million. Of this amount, $499.1-million was paid out in prizes, leaving a total net of $122.8-million – which was divided between, casino facility operators, casino advisors, trustees ($85.9-million) and charities ($36.9-million).

Slot Machines in Casinos and Racing Entertainment Centres

SLOT MACHINES IN ALBERTA

Fiscal Year	# of Machines	Locations
March 1996	225	13
March 1997	765	18
March 1998	1,680	19
March 1999	2,851	18
March 2000	3,742	18
March 2001	4,353	18
March 2002	5,305	18
March 2003	6,347	18
March 2004	6,513	19

References

Alberta Gaming and Liquor Commission. (2001). *Achieving a balance: Gaming licensing policy review*. St. Albert, AB: Author.

Alberta Gaming and Liquor Commission. (2002). *Annual Report 2001-2002*. St. Albert, AB: Author.

Alberta Gaming and Liquor Commission. (2004). *Annual Report 2003-2004*. St. Albert, AB: Author.

The total number of slot machines operating in the Province of Alberta was 6,513 as of March 31st, 2004. This figure represents an increase of 166 machines from the previous year.

Licensed Casino Facility Operators receive a 15% commission on net slot machine sales as compensation for the costs of space and customer service. A further 15% commission is paid to the charitable organizations holding the licensed events in casinos. The balance (70%) of net slot machine sales at casinos, after deducting the Commission's operating costs, is provided to the Alberta Lottery Fund. As with licensed Casino Facility Operators, Racing Entertainment Centre (REC) Operators receive a 15% commission on net slot machine sales as compensation for the costs of space and customer service. The remaining 85% of slot machine sales goes to the Alberta Lottery Fund after AGLC costs are deducted.

In 2003-2004, sales on slot machines totaled approximately $9.3-billion. Of this amount, $8.6-billion was paid out in prizes, leaving a total net of almost $683-million – which was divided between the Alberta Lottery Fund ($479-million), casino and REC operators ($102.3-million; *$96-million to Casino Operators and $6.3-million to REC Operators*), and charities ($95.1-million).

SEGA Race Games in Casinos and Racing Entertainment Centres

The SEGA electronic horse race game operates at a number of Alberta casinos and RECs. Revenue from the games hosted in *casinos* is split as follows: 15% to charitable organizations holding the licensed event, 15% to the casino facility operator, and 70% to the Alberta Lottery Fund. In *RECs*, 15% goes to the facility operator and 85% to the Alberta Lottery Fund.

DISTRIBUTION OF SLOT MACHINES (March 2004)

Location	# of Slots	# of Casinos / REC's
Calgary	1,896	5
Edmonton	2,833	5
Other Cities	1,595	8
Other Communities	200	1
TOTAL	**6,513**	**19**

Reference

Alberta Gaming and Liquor Commission. (2004). *Annual Report 2003-2004.* St. Albert, AB: Author.

Secondary Revenue Streams

In addition to their commissions on profits from table games and slot machines, casino facility operators generate revenues from food and beverage services, parking, foreign exchange, and automated teller machines. These revenues are fully retained by casinos and Racing Entertainment Centres.

First Nations Casinos

A provincial moratorium on new or expanded casinos, including First Nations casinos, was removed on March 1st, 2002. First Nations on-reserve casinos must operate and be regulated under the specific terms and conditions developed by the AGLC. The province's proceeds from the on-reserve casinos are to be deposited in the Alberta Lottery Fund and used for traditional lottery programs as well as for a First Nations Development Fund. The First Nations Development Fund will be available to all Alberta First Nations to support economic, social and community development projects, including addictions programs, education, health and infrastructure.

The primary difference between licensed First Nation casino facilities relates to the distribution of net revenues from slot machines allocated to the Alberta Lottery Fund. Of the 70% allocation, 30% will be provided to traditional Alberta Lottery Fund initiatives and 40% to the First Nations Development Fund.

References

Alberta Gaming and Liquor Commission. (2004). *Annual Report 2003-2004.* St. Albert, AB: Author.

Alberta Gaming and Liquor Commission. (2004). *Charitable gaming in Alberta 2003-2004 in review.* St. Albert, AB: Author.

CASINO AND RACINO FACILITIES IN ALBERTA (2004)

Casino	City	Approximate Size / # of Slots
ALBERTA NORTH		
Great Northern Casino	Grande Prairie	30,000-sq.-ft. / 299
Evergreen Park [Racino]	Grande Prairie	Unavailable / 25
Boomtown Casino	Fort McMurray	12,000-sq.-ft. / 199
EDMONTON & AREA*		
Casino Yellowhead	Edmonton	75,000-sq.-ft. / 740
Palace Casino	Edmonton	66,000-sq.-ft. / 672
Casino Edmonton	Edmonton	60,000-sq.-ft. / 606
Baccarat Casino	Edmonton	35,000-sq.-ft. / 309
Northlands Park [Racino]	Edmonton	20,000-sq.-ft. / 500
Gold Dust Casino	St. Albert	20,000-sq.-ft. / 245
ALBERTA CENTRAL**		
Cash Casino	Red Deer	23,000-sq.-ft. / 194
Jackpot Casino	Red Deer	22,000-sq.-ft. / 299
CALGARY & AREA***		
Casino Calgary	Calgary	57,000-sq.-ft. / 600
Cash Casino	Calgary	50,000-sq.-ft. / 600
Frank Sisson's Siver Dollar Casino	Calgary	50,000-sq.-ft. / 500
Stampede Casino	Calgary	20,000-sq.-ft. / 206
Elbow River Inn & Casino	Calgary	14,000-sq.-ft. / 230
ALBERTA SOUTH		
Casino Lethbridge	Lethbridge	44,000-sq.-ft. / 300
Whoop-Up Downs [Racino]	Lethbridge	Unavailable / 99
Casino By Vanshaw	Medicine Hat	14,000 / 250

* There are two casino facilities that are expected to open in the Edmonton region in 2006. The Enoch Cree Nation has received approval to build the 70,000-square-foot *River Cree Resort and Casino* on reserve land in Enoch, Alberta. Enoch is located three kilometers west of the City Edmonton. It is anticipated to open in 2006. In addition, the *Celebrations Casino and Hotel* is expected to soon receive final approval for its Fort Road location in the City of Edmonton.

** There is one new casino facility that is expected to open in the Alberta Central region in 2006. The Camrose Casino will begin construction in 2005. It will be the smallest Alberta community to have a casino (population 15,300).

*** There is one new casino facility that is expected to open in the Calgary region in 2005 or 2006. The Deerfoot Inn & Casino is under construction in and will include a 60,000-square-foot casino facility.

Great Northern Casino (Grande Prairie)

10910 – 107A Avenue
Grande Prairie, AB
T8V 7B2
(780) 539-4454

CASINO WEBSITE: N/A

SIZE: 30,000-square-feet

TABLE GAMES: 15*

SLOT MACHINES: 299*

POKER ROOM: YES (3 tables)

AMENITIES: A restaurant and a 145 seat showroom and lounge featuring live entertainment.

* Gamehost Income Fund web site, November 2004

DESCRIPTION

The Great Northern Casino is owned by the publicly traded Gamehost Income Fund (TSX-V: GH.UN) and located in the City of Grande Prairie next to the 123-room Service Plus Inns & Suites Hotel. It has been constructed in the style of an old western town both inside and out. The casino is becoming more widely known as a destination entertainment facility for the northern areas of Alberta and British Columbia.

HISTORY

The Great Northern Casino opened in June 1999 after Red-Deer based Service Plus Hospitality Ltd. bought the Golden Chance Casino from three local partners.

OWNERSHIP & MANAGEMENT

In the year 2000, David Will and his son Darcy, both of Red Deer, were majority shareholders in Service Plus Hospitality Ltd., a public company that owned the Great Northern Casino, Boomtown Casino (Fort McMurray), as well as several hotels. Darcy Will started his gaming career by running bingo halls and temporary casinos in Red Deer. His first permanent casino, the Winner's Circle, opened in Red Deer in 1993. It was sold in 1998 so that Will could concentrate on his family's northern ventures.

By June 2003, Gamehost Income Fund had acquired the Great Northern Casino as well as other gaming and hotel facilities formerly owned by Service Plus Hospitality Ltd., Will Inns Ltd., Boomtown Casino Ltd. and 599754 AB Ltd. The Fund now operates two casinos and a hotel all located in Alberta. These operations include Boomtown Casino in Fort McMurray, Great Northern Casino and Service Plus Inns & Suites Hotel both located in Grand Prairie. The Fund is also a joint venture partner (40%) in the Deerfoot Inn & Casino development proposal for Calgary, Alberta.

RECENT EVENTS

The Great Northern was expanded to its present size in July of 2003 (the cost of the expansion totaled $1.86-million). This expansion provided a piano bar to complement the existing lounge, additional meeting / banquet areas, and additional slot machines. At the time the expansion was opened, the numbers of slot machines were increased to the maximum allowable for a minor casino.

CASINO & RACINO COMPETITION

There are presently no other casinos in the Grande Prairie although the

	AGLC has received an application to build a second one. As of November 2004, no decision had been made as to whether it will proceed. In addition, the Evergreen Park Racing Entertainment Centre (racino) operates 25 slot machines. The trade area population of the Grande Prairie region is over 200,000 people and the City of Grande Prairie itself has a population of approximately 40,000. **FOR FURTHER INFORMATION:** *Gamehost Income Fund* <http://www.gamehost.ca/>. *Gamehost Income Fund Annual Report* http://media.integratir.com/V.GH.UN/financials/2003AnnualReport.pdf *Big players tend to keep a low profile: FROM GRIME TO GLITZ/ Alberta's gaming industry has matured, moving from the dingy little gambling dens of 30 years ago to today's glamour palaces. Edmonton Journal. Aug 27, 2000. p. E8.*

Evergreen Park (Grande Prairie)

Box 370 Grande Prairie, Alberta Canada T8V 3A5 Phone: (780) 532-3279 **WEBSITE:** http://www.evergreenpark.ca/ **SLOT MACHINES:** 25 (March 31st, 2004)* **AMENITIES:** simulcast horse racing, bar, restaurant. * Alberta Gaming and Liquor Commission 2003-2004 Annual Report	**DESCRIPTION** The Evergreen Park - Fairgrounds facility includes a Class "A" race track. Live Pari-mutuel races are held during month of July/August. Slot machines are located in "The Loft" which is located upstairs in the Gordon Badger Stadium. **OWNERSHIP & MANAGEMENT** Evergreen Park is owned and operated by the Grande Prairie Regional Agricultural & Exhibition Society. **CASINO COMPETITION** The Great Northern Casino in Grande Prairie operates approximately 300 slot machines. **FOR FURTHER INFORMATION** *Evergreen Park web site* http://www.evergreenpark.ca/

Boomtown Casino (Fort McMurray)

9825 Hardin Street
Fort McMurray AB
T9H 4G9
(780) 790-9739

CASINO WEBSITE: N/A

SIZE: 12,000-square-feet

TABLE GAMES: 13*

SLOT MACHINES: 199*

POKER ROOM: Yes

AMENITIES: A 50 seat lounge featuring live entertainment and a dance floor

* Gamehost Income Fund web site, November 2004

DESCRIPTION

The Boomtown casino is located in downtown Fort McMurray in the Peter Pond Shopping Mall. The site provides a 'front-street' location as well as ample parking and reportedly cost $800,000 to construct. It is owned by the publicly traded Gamehost Income Fund (TSX-V: GH.UN).

HISTORY

The casino in Fort McMurray began as a small temporary operation in 1994. It spent time at the MacKenzie Park Inn before being renamed and moved to new premises in May 2000 in the Peter Pond Shopping Mall.

OWNERSHIP & MANAGEMENT

In the year 2000, David Will and his son Darcy, both of Red Deer, were majority shareholders in Service Plus Hospitality Ltd., a public company that owned the Boomtown Casino, Great Northern Casino (Grande Prairie), as well as several hotels. Darcy Will started his gaming career by running bingo halls and temporary casinos in Red Deer. His first permanent casino, the Winner's Circle, opened in Red Deer in 1993. It was sold in 1998 so that Will could concentrate on his family's northern ventures.

By June 2003, Gamehost Income Fund had acquired the Boomtown Casino as well as other gaming and hotel facilities formerly owned by Service Plus Hospitality Ltd., Will Inns Ltd., Boomtown Casino Ltd. and 599754 AB Ltd. The Fund now operates two casinos and a hotel all located in Alberta. These operations include Boomtown Casino in Fort McMurray, Great Northern Casino and Service Plus Inns & Suites Hotel both located in Grand Prairie. The Fund is also a joint venture partner (40%) in the Deerfoot Inn & Casino development proposal for Calgary, Alberta.

RECENT EVENTS

Video Lottery Terminals were removed from the Municipality of Wood Buffalo (including Fort McMurray) in April 2003.

COMPETITION

The City of Ft. McMurray is a growing Northern Alberta city of 40,000 plus people with an additional transient population of 8,000 to 12,000. There are no other casinos competing in this relatively isolated area. Management reported in its most recent annual report (2003) that the

	Boomtown Casino continues to benefit from very high activity in the resource and construction sectors in Ft. McMurray. A 1997 plebiscite resulted in a decision to remove video lottery terminals from the city. The machines were not physically removed from bars, restaurants and hotels until 2003 due to court challenges. **FOR FURTHER INFORMATION:** *Gamehost Income Fund* <http://www.gamehost.ca/>. *Gamehost Income Fund Annual Report* http://media.integratir.com/V.GH.UN/financials/2003AnnualReport.pdf *Big players tend to keep a low profile: FROM GRIME TO GLITZ/ Alberta's gaming industry has matured, moving from the dingy little gambling dens of 30 years ago to today's glamour palaces. Edmonton Journal, Aug 27, 2000. p. E8.*

Casino Yellowhead (Edmonton)

12464 153 Street Edmonton, AB T5V 1S5 (780) 424-9467 **CASINO WEBSITE:** http://www.casinoabs.com/ **SIZE:** 75,000-square-feet **TABLE GAMES:** 35* **SLOT MACHINES:** 740* **POKER ROOM:** YES **AMENITIES:** Three restaurants, cabaret stage, & three waterfalls. **OTHER:** Casino ABS employs a combined total of approximately 1800 employees in its casino facilities. * Casino ABS web site, November 2004 (actual figures are likely slightly higher)	**DESCRIPTION** The western-themed Casino Yellowhead is located in a northern industrial area of the City of Edmonton near the busy east-west Yellowhead Trail. It is reportedly the largest casino in the province. It is also the largest of the four Alberta casinos privately owned by Heinz Oldach's Casino ABS. The approximately 200 non-profit societies operating at Casino Yellowhead annually are reported to make an average of $70,000 for two nights work (as of December 2003). **HISTORY** Casino Yellowhead opened in August 2000 at a cost of $16-million. This facility was essentially a replacement for the city's Casino ABS Downtown at 102nd St. and 105th Ave. (opened ~1990) which itself had moved from its original location in a refurbished warehouse on 112th St., North of Jasper Ave. (opened in 1981). Casino ABS is owned by Heinz Oldach and has been running charitable Casinos in Alberta since 1973. Oldach began his business career as general manager of the carnival rides arm of Acme. When he was 28, Oldach and Acme colleague Harry Nash bought the carnival company, added new rides, and, in 1973, incorporated Alberta Bingo Supplies Ltd. (hence the name ABS).

OWNERSHIP & MANAGEMENT

Casino Yellowhead is privately owned by Heinz Oldach's Casino ABS (Alberta Bingo Supplies, Ltd.). ABS was incorporated 1973 and is Canada's oldest casino operator and largest operator in the Province of Alberta. Casino ABS owns four casinos plus a 25% share in the Royal City Star Riverboat Casino in New Westminster, B.C. *SOURCE: Conversation with Casino ABS Senior V-P Barry Pritchard (October 19th, 2004).*

RECENT EVENTS

The recently relocated (2004) Casino Lethbridge shares a somewhat similar design theme with Casino Yellowhead.

COMPETITION

Casino Yellowhead operates in competition with three other existing casinos and one racino in the Edmonton market, with a fourth competitor located in St. Albert, a city adjacent to Edmonton. In addition, it appears that several of these casinos will be expanding and that two additional casinos will be built in the Edmonton market by 2006.

Casino ABS is at its regulated limit of four casinos across Alberta.

FOR FURTHER INFORMATION:

Casino ABS web site
<http://www.casinoabs.com/>

"The Casino Royals: The 'Ka-Ching' crowd: Casino owners have staked millions of dollars on satisfying Albertans' raging hunger for gambling. And the biggest player at the table in Heinz Oldach" Edmonton Journal, Aug. 27, 2000. p. E7.

Big players tend to keep a low profile: FROM GRIME TO GLITZ/ Alberta's gaming industry has matured, moving from the dingy little gambling dens of 30 years ago to today's glamour palaces. Edmonton Journal, Aug 27, 2000. p. E8.

The ACES Who Hold The Cards; Edmonton-area casino owners are a diverse lot -- they include charities, sports groups, a restaurateur, Vancouver investors and a part-time elk rancher; WINNING NUMBERS. [FINAL Edition]DUNCAN THORNE, Journal Staff Writer Edmonton Journal Edmonton, Alta. Nov 9, 1996. p. H.1

Palace Casino (Edmonton)

2710, 8882 – 170 Street
Edmonton, AB
T5T 4J2
(780) 444-2112

CASINO WEBSITE:
http://www.palacecasino.com/

SIZE: 66,000-square-feet

GAMING TABLES: 30*

SLOT MACHINES: 672 + 10 VLTs (as of Dec. 31st, 2003)*

POKER ROOM: YES

AMENITIES: A high limit table gaming area with a lounge and a 24-hour private poker room with five tables. The casino also houses a full service steak house, as well as a lounge, a deli and a live entertainment stage viewable from around the casino.

* 2003 Annual Report

DESCRIPTION

The Palace Casino is located in the 5.3 million square-foot West Edmonton Mall, one of the world's largest shopping and entertainment centres. West Edmonton Mall attracts in excess of 22 million local visitors and tourists per year.

The casino recently underwent a $12-million, 36,000 square foot expansion and renovation and now encompasses a total of 66,000 square feet on two levels. It features an art deco theme and includes six hand painted murals.

HISTORY

The Palace Casino is one of the longest-running casino operations in Edmonton, having started as a 10,000-square-foot facility in April 1990. At that time it was owned by a consortium of 69 charities and managed by former construction industry executive Howard Worrell.

In 1998 when the Palace was considering an expensive expansion, the charities in the consortium were asked if they wanted to spend the money or sell. In September 2000, they sold the Palace to Gateway, which then owned three casinos in Burnaby, New Westminster and Vancouver's Chinatown. The rumoured selling price was $8 million, giving the former owners, the charities, an almost 300-per-cent return on their original investment.

OWNERSHIP & MANAGEMENT

The Palace Casino is owned by the Gateway Casinos Income Fund <http://www.gatewaycasinosincomefund.com/> (TSX: GCI.UN) and is headquartered in Burnaby, British Columbia. Gateway Casinos Income Fund is one of the largest casino operators in Western Canada. The Fund provides management services to Gateway Casinos Inc. and also operates 6 casinos in B.C. and Alberta. They include the Burnaby Casino in Greater Vancouver, B.C., the Palace Casino, and the Lake City Casinos in Kamloops, Kelowna, Penticton, and Vernon, B.C.

CASINO & RACINO COMPETITION

The Palace Casino operates in direct competition with three other existing casinos and one racino in the Edmonton market, with a fourth competitor located in St. Albert, a city adjacent to Edmonton. In addition, it appears that several of these casino will be expanding and that two additional casinos will be built in the Edmonton market by 2006.

Gateway management anticipates that up to an additional 1,500 slot machines could be added to the Edmonton market over the next several

	years. They do not believe that this increase will significantly impact the Partnership's operations at the Palace Casino, due to its strategic location within the West Edmonton Mall and the relative distance of the proposed new and expanded facilities from the Palace Casino. **FOR FURTHER INFORMATION:** *Gateway Casinos Income Fund* <http://www.gatewaycasinosincomefund.com/> *Initial Annual Information Form For the Year Ended December 31, 2002* <http://www.gatewaycasinosincomefund.com/support_files/financial_reports/Initial_Annual_Information_Form_2002.pdf> *The ACES Who Hold The Cards; Edmonton-area casino owners are a diverse lot -- they include charities, sports groups, a restaurateur, Vancouver investors and a part-time elk rancher; WINNING NUMBERS:* [FINAL Edition] DUNCAN THORNE, Journal Staff Writer. Edmonton Journal Edmonton, Alta.:Nov 9, 1996. p. H.1

Casino Edmonton (Edmonton)

7055 Argyll Road Edmonton, AB T6C 4A5 (780) 463-9467 **CASINO WEBSITE:** http://www.casinoabs.com/ **SIZE:** 60,000-square-feet (approximately) **TABLE GAMES:** 32* **SLOT MACHINES:** 606 + 10 VLTs* **POKER ROOM:** YES **AMENITIES:** Piano bar, dining room, lounges. **OTHER:** Casino ABS has approximately 1800 total employees. * Casino ABS web site	**DESCRIPTION** Casino ABS is located on the south side of the City of Edmonton and is one of four Alberta casinos privately owned by Casino ABS. **HISTORY** Casino Edmonton opened in 1986 and was previously known as Casino ABS South. Casino ABS is owned by Heinz Oldach and has been running charitable Casinos in Alberta since 1973. Oldach began his business career as general manager of the carnival rides arm of Acme. When he was 28, Oldach and Acme colleague Harry Nash bought the carnival company, added new rides, and, in 1973, incorporated Alberta Bingo Supplies Ltd. (hence the name ABS). **OWNERSHIP & MANAGEMENT** Casino Edmonton is privately owned by Heinz Oldach's Casino ABS (Alberta Bingo Supplies, Ltd.). ABS was incorporated 1973 and is Canada's oldest casino operator and largest operator in the Province of Alberta. Casino ABS owns four casinos plus a 25% share in the Royal City Star Riverboat Casino in New Westminster, B.C. *SOURCE: Conversation with Barry Pritchard (October 19th, 2004).*

RECENT EVENTS

An article in the Edmonton Journal from August 2004 reports that the City of Edmonton has approved a $1.9-million expansion plan for Casino Edmonton that could see the facility add at least 100 more slot machines if approved by the Alberta Gaming and Liquor Commission. The casino would increase in size by about 15 per cent and almost half the extra space will be used for the slot machines.

COMPETITION

Casino Edmonton operates in competition with three other existing casinos and one racino in the Edmonton market, with a fourth competitor located in St. Albert, a city adjacent to Edmonton. In addition, it appears that several of these casinos will be expanding and that two additional casinos will be built in the Edmonton market by 2006.

According to newspaper interviews with Barry Pritchard, vice-president of parent company ABS Casino is not concerned that proposals for new casinos in north Edmonton and the Enoch reserve will take away their customers. "We're pretty established. We have been in that location for nearly 20 years as a casino."

Casino ABS is at its regulated limit of four casinos across Alberta.

FOR FURTHER INFORMATION:

Casino ABS web site
<http://www.casinoabs.com/>

"The Casino Royals: The 'Ka-Ching' crowd: Casino owners have staked millions of dollars on satisfying Albertans' raging hunger for gambling. And the biggest player at the table in Heinz Oldach" Edmonton Journal, Aug. 27, 2000. p. E7.

Big players tend to keep a low profile: FROM GRIME TO GLITZ/ Alberta's gaming industry has matured, moving from the dingy little gambling dens of 30 years ago to today's glamour palaces. Edmonton Journal, Aug 27, 2000. p. E8.

The ACES Who Hold The Cards; Edmonton-area casino owners are a diverse lot -- they include charities, sports groups, a restaurateur, Vancouver investors and a part-time elk rancher; WINNING NUMBERS [FINAL Edition]DUNCAN THORNE, Journal Staff Writer. Edmonton Journal Edmonton, Alta.: Nov 9, 1996. p. H.1

Baccarat Casino (Edmonton)

10128 – 104 Avenue
Edmonton, AB
T5J 4Y8
(780) 413-3178

CASINO WEBSITE: N/A

SIZE: 35,000-square-feet

TABLE GAMES: 31*

SLOT MACHINES: 309 + 5 VLTs*

POKER ROOM: YES

AMENITIES: Café

* Figures provided by Baccarat Casino, October 2004.

DESCRIPTION

The Baccarat Casino is located in downtown Edmonton and attracts a combination of high-rolling Asian baccarat players and a variety of downtown Edmonton residents and hotel guests. It has plans to significantly re-develop and expand its current site to make itself the city's largest casino by 2006.

HISTORY

The Baccarat opened in October 1996 at the corner of 104th Avenue and 101st Street in downtown Edmonton. It was built by Carlson Construction of Edmonton for approximately $2.2 million. At the time it was built, the Baccarat was the City of Edmonton's third casino (not including nearby St Albert's Gold Dust Casino).

The ownership of the original Baccarat Casino was originally made up of a group of Chinese-Canadian businessmen headed by Edmontonian Dick Wong and Vanouverite Simon Lee. By 2000, the 35,000-square-foot Baccarat was reportedly the number two money-making casino in Alberta after Casino Calgary.

OWNERSHIP & MANAGEMENT

Baccarat Casino is presently owned and operated by Gateway Casinos Inc. (GCI). GCI is a privately held casino operator that operates four casinos in B.C. and Alberta.

The publicly-traded "cousin" of GCI is the Gateway Casinos Income Fund. It is one of the largest casino operators in Western Canada and headquartered in Burnaby, B.C. The Fund provides management services to Gateway Casinos Inc. and also operates 6 casinos in B.C. and Alberta. They include the Burnaby Casino in Greater Vancouver, B.C., the Palace Casino in Edmonton, Alberta and the Lake City Casinos in Kamloops, Kelowna, Penticton, and Vernon, B.C.

Under an agreement between GCI and the Fund, GCI has granted a right of first offer to the Fund on any future sale, transfer, or other disposition of any assets of GCI, subject to gaming regulatory approval.

RECENT EVENTS

In March 2004, the Edmonton city council rejected the Baccarat Casino's $30-million casino proposal to build a larger facility and relocate to the north edge of downtown. The development failed because it was considered to be a significant deviation from the downtown plan. Area residents were also concerned that the development would have been detrimental to the revitalization of the

downtown.

Baccarat Casino executives have said that the proposal's defeat will likely mean that they will expand the size of the existing structure and its surface parking lot. Plans are in place for a new 100,000-square-foot casino that will comprise two levels. Included will be 55,000-square-feet of gaming space which will house up to 1,000 slot machines, 40 tables and an 8-table poker room. GCI is to apply for rezoning in Fall 2004 and facility completion is estimated for Winter 2006. Once complete, it is likely that the Baccarat Casino will be rolled into the Gateway Casinos Income Fund.

CASINO & RACINO COMPETITION

The Baccarat Casino operates in direct competition with three other existing casinos and one racino in the Edmonton market, with a fourth competitor located in St. Albert, a city adjacent to Edmonton. In addition, it appears that several of these casinos will be expanding and that two additional casinos will be built in the Edmonton market by 2006.

Gateway management anticipates that up to an additional 1,500 slot machines could be added to the Edmonton market over the next several years.

FOR FURTHER INFORMATION:

Gateway Casinos Income Fund – Web Site
URL: <http://www.gatewaycasinosincomefund.com/>

Initial Annual Information Form For the Year Ended December 31, 2002
<http://www.gatewaycasinosincomefund.com/support_files/financial_reports/Initial_Annual_Information_Form_2002.pdf>

First Associates Gaming Symposium First Associates Gaming Symposium September 23, 2004
<http://www.gatewaycasinosincomefund.com/pdfs/Event_GCIF%20First%20Associates%20Gaming%20Symposium%20Sep%2023%202004.pdf>

Big players tend to keep a low profile: FROM GRIME TO GLITZ/ Alberta's gaming industry has matured, moving from the dingy little gambling dens of 30 years ago to today's glamour palaces. Edmonton Journal, Aug 27, 2000. p. E8.

The ACES Who Hold The Cards; Edmonton-area casino owners are a diverse lot -- they include charities, sports groups, a restaurateur, Vancouver investors and a part-time elk rancher; WINNING NUMBERS:[FINAL Edition]DUNCAN THORNE, Journal Staff Writer. Edmonton Journal Edmonton, Alta.:Nov 9, 1996. p. H.1

Northlands Park (Edmonton)

Northlands Park
Box 1480
Edmonton, Alberta, Canada
T5J 2N5

The Northlands Spectrum (horse racing & slot room) is located on the Northlands Park site, west of Wayne Gretzky Drive at 75th Street and 115th Avenue.

WEBSITE:
http://www.northlands.com/ &
http://www.thehorsesatnorthlands.com/

SIZE: 20,000-square-feet (slot venue)

SLOT MACHINES: 500 (as of March 31st, 2004)*

AMENITIES: year-round live harness and thoroughbred horse racing, simulcast horse racing, Colours restaurant

OTHER: Slot room has a 23-seat SEGA Royal Ascot horse racing simulation game.

* Alberta Gaming and Liquor Commission 2003-2004 Annual Report

DESCRIPTION

Northlands Park is a volunteer-driven, not-for-profit, community service organization serving Edmonton and North Central Alberta. The Northlands Park hosts a wide variety of sporting and cultural events (e.g. Klondike Days Exposition, Canadian Finals Rodeo, etc.). Hosting more than 3.5 million guests each year, Northlands Park ranks as Edmonton's second largest tourist attraction.

Northlands Park is also a significant participant in the gaming industry. The company continues to operate Canada's original casino during Edmonton's Klondike Days Exposition, and offers year-round slot play at Northlands Spectrum.

HISTORY

Northlands Park (originally incorporated as the Edmonton Agricultural Society) was founded by volunteers in 1879 to respond to the needs of a growing agricultural community. Alberta's first casino was held near the Silver Slipper Saloon at the Edmonton Exhibition Grounds in 1967.

OWNERSHIP & MANAGEMENT

Northlands Park built, maintains, operates and owns each of the following facilities on behalf of the citizens of Edmonton and North Central Alberta – Rexall Place (formerly Skyreach Centre & Northlands Coliseum), Northlands AgriCom, Northlands Spectrum, Northlands Sportex, and the Silver Slipper.

RECENT EVENTS

During 2002, Northlands Park, in partnership with Horse Racing Alberta (HRA), renovated the main floor of Northlands Spectrum at a cost of $5.6 million funded by HRA. 250 additional slot machines were added in August of that year.

In 2003, net earning from racing and gaming were $2.4 Million, which represents an increase of $342,000 from the previous year. Klondike Days contributions increased $108 thousand to $2.6 million. Casino results increased $86 thousand due primarily to increased slot play.

CASINO COMPETITION

The Northlands Park slot facility (and its seasonal casino) operate in direct competition with four other existing casinos in the

	Edmonton market and with one competitor located in St. Albert, a city adjacent to Edmonton. In addition, it appears that several of these casinos will be expanding and that two additional casinos will be built in the Edmonton market by 2006. Northlands Park state that "it is unknown what impact gaming expansion will have on operations at Northlands Park." **FOR FURTHER INFORMATION** *The Horses at Northlands Park [Racing & Gaming]* http://www.thehorsesatnorthlands.com/ *Northlands Park Annual Reports* http://www.northlands.com/about.html *Horse Racing Alberta 2003 Annual Report* http://www.thehorses.com/HRA_AR2003.pdf

Gold Dust Casino (St. Albert)

24 Boudreau Road St. Albert, AB T8N 6K3 (780) 460-8092 **CASINO WEBSITE:** http://www.golddustcasino.ca **SIZE:** 20,000-square-feet (approximate) **TABLE GAMES:** 12* **SLOT MACHINES:** 245** **POKER ROOM:** YES **AMENITIES:** MVP Sports Bar & Grill **OTHER:** 137 full / part-time employees (1999/2000) *** * Information from the Casino City web site (November 2004). ** Information from Gold Dust Casino (November 2004). *** City of St. Albert Community Profile	**DESCRIPTION** The Gold Dust Casino is situated on a field next in the Edmonton suburb of St. Albert. The casino is approximately 20,000-square-feet in size and is attached to the Campbell Park bingo hall and a bar with off-track betting. Interestingly, the casino's Playtime Coach Company offers charter bus services to pickup up groups and delivers them to the casino. **HISTORY** St. Albert's Gold Dust casino was opened in 1994 by owner Bruce McPherson after his Sandman Casino in Edmonton lasted only seven months due to competition from the recently opened Palace Casino at West Edmonton Mall. The Gold Dust became the first Alberta casino to operate 7-days a week in 1996 when it opened on Sundays. **OWNERSHIP & MANAGEMENT** Bruce McPherson is the president of Game Plan Developments, owner of St. Albert's Gold Dust Casino. McPherson began his gaming career with Heinz Oldach's Casino ABS but ventured out on his own in the 1980s and ran temporary casinos at Edmonton's Mayfair Hotel and Capilano Motor Inn, before opening a permanent one at the Sandman Inn in 1990. **RECENT EVENTS**

	A St. Albert City bylaw that prohibits smoking in most public places, including restaurants, bars, lounges, bingo halls and the Gold Dust casino in July, 2005. **COMPETITION** The Gold Dust Casino competes with four other existing casinos and one racino in the Edmonton market. In addition, it appears that several of these casino will be expanding and that two additional casinos will be built in the Edmonton market by 2006. The City of St. Alberta has a population of approximately 54,500 according to the 2003 Census. **FOR FURTHER INFORMATION:** *Gold Dust Casino web site* <http://www.golddustcasino.ca> *City of St. Albert Community Profile (2004)* <http://www.city.st-albert.ab.ca/public/data/documents/People_Demographics.pdf> *Big players tend to keep a low profile: FROM GRIME TO GLITZ/ Alberta's gaming industry has matured, moving from the dingy little gambling dens of 30 years ago to today's glamour palaces. Edmonton Journal, Aug 27, 2000. p. E8.* *The ACES Who Hold The Cards: Edmonton-area casino owners are a diverse lot -- they include charities, sports groups, a restaurateur, Vancouver investors and a part-time elk rancher; WINNING NUMBERS:[FINAL Edition]DUNCAN THORNE, Journal Staff Writer. Edmonton Journal Edmonton, Alta.:Nov 9, 1996. p. H.1*

Jackpot Casino (Red Deer)

4950 – 47 Avenue
Red Deer, AB
T4N 6P8
(403) 342-5825

CASINO WEBSITE: N/A

SIZE: 22,000-square-feet

TABLE GAMES: 15*

SLOT MACHINES: 194*

POKER ROOM: NO

AMENITIES: restaurant

OTHER: Approximately 100 employees

* Information provided by Jackpot casino, November 2004.

DESCRIPTION

The Jackpot Casino is smartly decorated 22,000-square-foot casino located in the downtown area of the City of Red Deer.

HISTORY

According to casino management, the Jackpot opened in September 1997.

OWNERSHIP & MANAGEMENT

The Jackpot Casino is jointly owned by Franklin Daines and his wife Shirley, and by Ken Oxtoby and his wife Darlene, all from nearby Innisfail. Franklin Daines is best known in Red Deer for his ownership of the Daines chain of western wear stores. Ken Oxtoby is an Innisfail realtor and developer.

RECENT EVENTS

N/A

COMPETITION

Jackpot Casino competes with the Cash Casino (Red Deer) in the Red Deer market although they are located in different parts of the city.

The City of Red Deer is located midway between the cities of Edmonton and Calgary. Population is approximately 72,000 (2003) and it serves a trade area of over 200,000 people.

FOR FURTHER INFORMATION:

"The Casino Royals: The 'Ka-Ching' crowd: Casino owners have staked millions of dollars on satisfying Albertans' raging hunger for gambling. And the biggest player at the table in Heinz Oldach" Edmonton Journal, Aug. 27, 2000. p. E7.

Cash Casino (Red Deer)

6350 – 67 Street
Red Deer, AB
T4P 3L7
(403) 346-3339

CASINO WEBSITE:
http://www.cashcasino.ca/

SIZE: 23,000-square-feet*

TABLE GAMES: 16* (approximately)

SLOT MACHINES: 299*

POKER ROOM: YES - opening November 2004

AMENITIES: restaurant / lounge.

OTHER: N/A

* Information obtained from Cash Casino (Red Deer) in November 2004.

DECRIPTION

The Cash Casino in Red Deer is an approximately 23,000-square-foot facility located in a strip mall close to Highway 2 in the City of Red Deer.

HISTORY

Cash Casino first operated temporary casinos in Red Deer starting in 1993 before a permanent facility was constructed in 1995.

OWNERSHIP & MANAGEMENT

The owners of the Cash Casino are Ron Desrochers and David Ng. They also own Calgary's Cash Casino, which is Alberta's oldest permanent casino, founded at Blackfoot Trail and 40th Avenue S.E. by a previous owner in 1980. A Cash Casino (Lethbridge) also operated from approximately 1995 until its closure in the summer of 1999.

RECENT EVENTS

N/A

COMPETITION

Red Deer's Cash Casino competes with the Jackpot Casino in the Red Deer market although they are located in different parts of the city.

The City of Red Deer is located midway between the cities of Edmonton and Calgary. Population is approximately 72,000 (2003) and it serves a trade area of over 200,000 people.

FOR FURTHER INFORMATION:

"The Casino Royals: The 'Ka-Ching' crowd: Casino owners have staked millions of dollars on satisfying Albertans' raging hunger for gambling. And the biggest player at the table in Heinz Oldach" *Edmonton Journal, Aug. 27, 2000. p. E7.*

Casino Calgary (Calgary)

1420 Meridian Road NE
Calgary, AB
T2A 2N9
(403) 248-9467

CASINO WEBSITE:
http://www.casinoabs.com/

SIZE: 57,000-square-feet

TABLE GAMES: 30*

SLOT MACHINES: 600 + 10 VLTs*

POKER ROOM: YES

AMENITIES: Dining room, lounges.

OTHER:

Casino Calgary workers are the only casino workers in Alberta to be certified with a union (CUPE).

Casino ABS has approximately 1800 total employees and 775 are employed at Casino Calgary.

* Casino ABS web site, November 2004.

DESCRIPTION

Casino Calgary is one of four casinos in the province owned by Casino ABS. It is located toward the east side of Calgary and not far from the busy east-west Trans-Canada highway and north-south Barlow Trail. This casino reportedly clears more than $1 million annually in pre-tax profits (December 2003) and is among the most successful in the province.

HISTORY

Casino Calgary opened in May 1997 and is owned by Heinz Oldach. He has been running charitable Casinos in Alberta since 1973. Oldach began his business career as general manager of the carnival rides arm of Acme. When he was 28, Oldach and Acme colleague Harry Nash bought the carnival company, added new rides, and, in 1973, incorporated Alberta Bingo Supplies Ltd. (hence the name ABS).

OWNERSHIP & MANAGEMENT

Casino Calgary is privately owned by Heinz Oldach's Casino ABS (Alberta Bingo Supplies, Ltd.). ABS was incorporated 1973 and is Canada's oldest casino operator and largest operator in the Province of Alberta. Casino ABS owns four casinos plus a 25% share in the Royal City Star Riverboat Casino in New Westminster, B.C. *SOURCE: Conversation with Barry Pritchard (October 19th, 2004).*

RECENT EVENTS

Casino Calgary nearly doubled its size when it recently added a 27,000-square-foot addition in at a reported cost of $5-million (2004). The expansion allowed more non-gaming amenities as required by the Alberta Gaming and Liquor Commission, including a stage, restaurant, lounge, and public areas such as a nearly three-storey atrium and an indoor waterfall.

COMPETITION

Casino Calgary operates in competition with four other existing casinos in the City of Calgary. A sixth city casino (Deerfoot Inn & Casino) is under construction in south-east Calgary. In addition, the Elbow River Inn & Casino is in the midst of an expansion and relocation that will likely be completed sometime in 2005. The Tsuu T'ina First Nation has also made an application to build a casino facility on their lands adjacent to the south-east of the city.

Casino ABS is at its regulated limit of four casinos across Alberta.

	FOR FURTHER INFORMATION: *Casino ABS web site* <http://www.casinoabs.com/> *"Casino betting on expansion" Calgary Sun, June 17, 2003.* *"The Casino Royals: The 'Ka-Ching' crowd: Casino owners have staked millions of dollars on satisfying Albertans' raging hunger for gambling. And the biggest player at the table in Heinz Oldach" Edmonton Journal, Aug. 27, 2000. p. E7.* *Big players tend to keep a low profile. FROM GRIME TO GLITZ/ Alberta's gaming industry has matured, moving from the dingy little gambling dens of 30 years ago to today's glamour palaces. Edmonton Journal, Aug 27, 2000. p. E8.*

Cash Casino (Calgary)

4040B Blackfoot Trail SE
Calgary, AB
T2G 4E6
(403) 287-1635

CASINO WEBSITE:
http://www.cashcasino.ca/

SIZE: 50,000-square-feet

TABLE GAMES: 32 + poker tables*

SLOT MACHINES: 600 + 10 VLTs*

POKER ROOM: YES

AMENITIES: Lounge, restaurant, bar areas.

OTHER: Also have a 12-unit SEGA race game

* Information obtained from Cash Casino (Calgary) in November 2004.

DESCRIPTION

Calgary's Cash Casino is located in the City of Calgary on Blackfoot Trail in an area containing a mixture of light industry, office buildings, and commercial businesses. The facility is one of the province's larger casinos and appears to have been expanded several times over the years.

HISTORY

The Cash Casino (Calgary) is Alberta's oldest permanent casino and was founded at Blackfoot Trail and 40th Avenue S.E. in 1980.

OWNERSHIP & MANAGEMENT

The owners of the privately-held Cash Casino are Ron Desrochers and David Ng. They also own Red Deer's Cash Casino. A Cash Casino (Lethbridge) also operated from approximately 1995 until its closure in the summer of 1999.

COMPETITION

The Cash Casino operates in competition with four other existing casinos in the City of Calgary. It is located in close proximity to the Silver Dollar Casino.

A sixth city casino (Deerfoot Inn & Casino) is under construction in south-east Calgary. In addition, the Elbow River Inn & Casino is in the midst of an expansion and relocation that will likely be completed sometime in 2005. The Tsuu T'ina First Nation has also made an application to build a casino facility on their lands adjacent to the south-east of the city.

FOR FURTHER INFORMATION:

"The Casino Royals: The 'Ka-Ching' crowd: Casino owners have staked millions of dollars on satisfying Albertans' raging hunger for gambling. And the biggest player at the table in Heinz Oldach" Edmonton Journal. *Aug. 27, 2000. p. E7.*

Frank Sisson's Silver Dollar Casino (Calgary)

1010 – 42 Avenue SE
Calgary, AB
T2G 1Z4
(403) 287-1183

CASINO WEBSITE:
http://www.franksissons.com/

SIZE: 80,000-square-feet (including bowling lanes and other entertainment rooms). Gaming area approximately 50,000-square-feet.

TABLE GAMES: 22*

SLOT MACHINES: >500 + VLTs*

POKER ROOM: NO

AMENITIES:
Bowling Alley (40 lanes), 3 lounges, restaurant

* Information provided by casino management (November 2004)

DESCRIPTION

Frank Sisson's Silver Dollar Casino is located in the City of Calgary just off of Blackfoot Trail in an area containing a mixture of light industry, office buildings, and commercial businesses. The casino is unique as it is part of an entertainment centre featuring 40 lanes of 10-pin bowling.

HISTORY

The Silver Dollar Action Centre was established at its present location in 1983 but it was not until July 1, 1996 that Frank Sisson's Silver Dollar Casino was opened.

OWNERSHIP & MANAGEMENT

The Silver Dollar is owned by the colourful Frank Sisson, a Scottish-born bowling entrepreneur and breeder of miniature horses. In the 1960s, it has been reported that Sisson ran greased pig contests and dance marathons. Sisson also took a bullet to the leg in 1997 after scuffling with a gunman who robbed him of the cash he was about to deposit into a bank machine.

COMPETITION

The Silver Dollar Casino operates in competition with four other existing casinos in the City of Calgary. It is located in close proximity to the Cash Casino.

A sixth city casino (Deerfoot inn & Casino) is under construction in south-east Calgary. In addition, the Elbow River Inn & Casino is in the midst of an expansion and relocation that will likely be completed sometime in 2005. The Tsuu T'ina First Nation has also made an application to build a casino facility on their lands adjacent to the south-east of the city.

FOR FURTHER INFORMATION:

Frank Sisson's Silver Dollar Casino web site
<http://www.franksissons.com/>

"The Casino Royals: The 'Ka-Ching' crowd: Casino owners have staked millions of dollars on satisfying Albertans' raging hunger for gambling. And the biggest player at the table in Heinz Oldach" Edmonton Journal, Aug. 27, 2000. p. E7.

Sisson places bets on down-home service. Gyle Konotopetz. Business Edge.
Published: 5/9/2002 - Vol. 2, No. 19
<http://www.businessedge.ca/ViewNewsItem.aspx?NewsItemID=379&EditionID=1

Stampede Casino (Calgary)

1801 Big Four Trail SE
Calgary, AB
T2G 2W1
(403) 261-0422

CASINO WEBSITE:
http://www.stampedecasino.com/

SIZE: 20,000-square-feet*

TABLE GAMES: 18*

SLOT MACHINES: 206*

POKER ROOM: NO**

AMENITIES: Big Four Dining Lounge, Wildcards Café and Saloon.

OTHER: Located in the Big Four Building inside Stampede Park

* Information provided by Stampede Casino management, November 2004.

** During Stampede, the casino sets up three poker tables but removes them after the 10-day fair and rodeo. By early 2005, the casino plans to have a 24-hour poker room with six tables.

DESCRIPTION

The Stampede Casino in the Big Four Building on the grounds of Stampede Park which is located just east of Calgary's downtown core and bordering MacLeod Trail along its western edge. The casino itself is about 20,000-square-feet in size although it expands to 50,000-square-feet during the 10 days of the actual Stampede in July.

The Stampede Casino has made an application to build and re-locate to a full service / state-of-the-art gaming, sports and entertainment centre located three blocks from the existing facility.

HISTORY

The Stampede Casino has one of the longest pedigrees of any permanent Alberta facility and dates to 1969 when the Frontier Casino became the second legal casino in the province (the "Klondike Days" casino at the Edmonton Northlands Exhibition was first in 1967). The present facility opened in 1988.

OWNERSHIP & MANAGEMENT

The Stampede Casino is owned and operated by the non-profit Calgary Exhibition & Stampede.

RECENT EVENTS

Plans are underway for a 24-hour poker room with seven tables to be constructed.

CASINO COMPETITION

The Stampede Calgary operates in competition with four other existing casinos in the City of Calgary. Its nearest casino competition is the Elbow River Inn & Casino on the opposite side of busy MacLeod Trail.

A sixth city casino (Deerfoot Inn & Casino) is under construction in south-east Calgary. In addition, the Elbow River Inn & Casino is in the midst of an expansion and relocation that will likely be completed sometime in 2005. The Tsuu T'ina First Nation has also made an application to build a casino facility on their lands adjacent to the south-east of the city.

FOR FURTHER INFORMATION:

Stampede Casino
<http://www.stampedecasino.com>

Calgary Stampede – Stampede Casino

	<http://calgarystampede.com/events/venues/big4/stampede_casino.html> *Big players tend to keep a low profile: FROM GRIME TO GLITZ/ Alberta's gaming industry has matured, moving from the dingy little gambling dens of 30 years ago to today's glamour palaces. Edmonton Journal, Aug 27, 2000. p. E8.*

Elbow River Inn & Casino (Calgary)

1919 MacLeod Trail SE Calgary, AB T2G 4S1 (403) 269-6771 **CASINO WEBSITE:** http://www.elbowrivercasino.com **SIZE:** 14,000-square-feet * **TABLE GAMES:** 29 * **SLOT MACHINES:** 230 * **POKER ROOM:** YES * **AMENITIES:** The hotel offers a licensed dining room and the casino restaurant offers pub fare. **OTHER:** Approximately 300 employees * * SOURCE: Elbow River Inn Casino Manager (October 2004)	**DESCRIPTION** The Elbow River Inn & Casino is located on the City of Calgary's busy MacLeod Trail and just a short distance from both the downtown and the Calgary Stampede grounds. Construction is currently underway on an expanded new casino and hotel complex that will replace the existing facility. **HISTORY** The 14,000-square-foot casino adjacent to the Elbow River Inn opened in 1989 as the province's first purpose-built casino. It was renamed the Elbow River Casino in 1996 when full ownership of the casino was taken over by Sam Switzer after a split with co-owner Bob Klewchuk. **OWNERSHIP & MANAGEMENT** The Elbow River Inn & Casino is privately owned by veteran Calgary hotelier Sam Switzer. Since the 1970s he has rented space in his hotels to casino operators. In 1991, Switzer and long-time Calgary casino manager Bob Klewchuk opened a permanent facility at the base of the Calgary Tower although it failed a few years later. **RECENT EVENTS** It was reported in June 2004 that construction had started on the $15.4 million relocation of the Elbow River Inn and Casino, on the banks of the Elbow River across from the Calgary Exhibition and Stampede grounds, to a nearby site between 17th and 18th Avenues and Macleod Trail and 1st Street S.E. The planned two story, 80,000-square-foot Roman-themed casino will be able to host 890 gamblers at a time in a main floor entertainment centre that includes bar and eating areas and a 200-seat live entertainment room. **COMPETITION** The Elbow River Casino operates in competition with four other existing casinos in the City of Calgary. It is located in close proximity to the Stampede Casino.

	A sixth city casino (Deerfoot Inn & Casino) is under construction in south-east Calgary. The Tsuu T'ina First Nation has also made an application to build a casino facility on their lands adjacent to the south-east of the city. **FOR FURTHER INFORMATION:** *Elbow River Casino web site* <http://www.elbowrivercasino.com/> *"The Casino Royals. The 'Ka-Ching' crowd: Casino owners have staked millions of dollars on satisfying Albertans' raging hunger for gambling. And the biggest player at the table in Heinz Oldach"* *Edmonton Journal, Aug. 27, 2000. p. E7.* *It's a sure bet this casino boss won't ever retire. Tom Keyser. Business Edge.* Published: 3/21/2001 - Vol. 1, No. 23 <http://www.businessedge.ca/ViewNewsItem.aspx?NewsItemID=3448>

Casino Lethbridge (Lethbridge)

3756-2nd Avenue South
Lethbridge, AB
T1J 4Y9
(403) 381-9467

CASINO WEBSITE:
http://www.casinoabs.com/

SIZE: 44,000-square-feet

TABLE GAMES: 14*

SLOT MACHINES:
Approximately 300*

POKER ROOM: YES

AMENITIES: *Stagecoach Grill* 100-seat restaurant, *Wagon Wheel Deli*, and the *Buffalo Bar & Showroom* lounge featuring live entertainment on weekends.

OTHER: A 12-metre fountain and statue of a trapper on horseback on a rocky outcropping greet patrons as they enter the front doors.

Casino ABS has approximately 1800 total employees.

* Casino Lethbridge promotional insert in the Lethbridge Herald newspaper , August 2004.

DESCRIPTION

Casino Lethbridge is one of four casinos privately owned by Casino ABS. It is located on the east side of the City of Lethbridge and close to Highways 3 in an area popular with automobile dealerships. The casino opened in August 2004 after being relocated from a smaller facility in the city.

HISTORY

Casino ABS has operated a permanent casino facility in Lethbridge since 1993 *(SOURCE: Henderson Directory)*. Casino Lethbridge relocated to its present location in August 2004.

OWNERSHIP & MANAGEMENT

Casino Lethbridge is privately owned by Heinz Oldach's Casino ABS (Alberta Bingo Supplies, Ltd.). ABS was incorporated 1973 and is Canada's oldest casino operator and largest operator in the Province of Alberta. Casino ABS owns four casinos plus a 25% share in the Royal City Star Riverboat Casino in New Westminster, B.C. *SOURCE: Conversation with Barry Pritchard (October 19th, 2004).*

RECENT EVENTS

Casino Lethbridge relocated to its present location in August 2004 from its old facility on 3rd Avenue South. The new casino reportedly cost more than $10-million to construct.

CASINO & RACINO COMPETITION

The nearest competitor is Bully's Racing Entertainment Centre (racino) which is in close proximity to Casino Lethbridge. Bully's operates approximately 99 slot machines and is located beneath the Whoop-Up Downs horse racing grandstand.

The City of Lethbridge has a population of approximately 73,000 and serves a trading area of 275,000.

Casino ABS is at its regulated limit of four casinos across Alberta.

FOR FURTHER INFORMATION:

Casino ABS web site
<http://www.casinoabs.com/>

Whoop-Up Downs (Lethbridge)

Rocky Mountain Turf Club
Lethbridge Exhibition Grounds
3401 Parkside Drive South
(MAIN GRANDSTAND)

WEBSITES:
http://www.rockymountainturfclub.com/ & http://www.bullyssports.com/ & http://www.telusplanet.net/public/bullys/

SLOT MACHINES: 99 (March 31st, 2004)*

AMENITIES: live horseracing, simulcast horseracing, pool tables, bar / lounge/ dining.

* Alberta Gaming and Liquor Commission 2003-2004 Annual Report

DESCRIPTION

Bullys Sport & Entertainment Centre is a Racing Entertainment Centre located underneath the main grandstand of the Lethbridge Exhibition Grounds.

HISTORY

Slot machines have been available since 1997.

OWNERSHIP & MANAGEMENT

Racing, simulcast racing and slot machines are operated under the direction of Rocky Mountain Turf Club at Whoop-Up Downs.

RECENT EVENTS

Casino Lethbridge relocated to its present venue in August 2004.

CASINO COMPETITION

The nearest competitor is the much larger Casino Lethbridge which is in close proximity to Bully's. It is located several kilometres away and operates over 300 slot machines.

The City of Lethbridge has a population of approximately 73,000 and serves a trading area of 275,000.

FOR FURTHER INFORMATION

Rocky Mountain Turf Club web site
http://www.rockymountainturfclub.com/

Casino By Vanshaw (Medicine Hat)

Medicine Hat Lodge
1051 Ross Glen Drive SE
Medicine Hat, AB
T1B 3T8
(403) 504-4584

CASINO WEBSITE: N/A

SIZE: 14,000-square-feet (approximate)

TABLE GAMES:
10*

SLOT MACHINES: 250*

POKER ROOM: NO

AMENITIES: Attached to the upscale 190-room Medicine Hat Lodge which offers several restaurants and bars.

*Casino by Vanshaw, November 2004.

DESCRIPTION

Casino by Vanshaw is attached to the rear of the upscale 190-room Medicine Hat Lodge. The casino leases space from the Lodge which is situated just off the Trans-Canada highway in the City of Medicine Hat. The 14,000-square-foot casino has a 1950's nostalgia theme.

HISTORY

In the early 1990's, Van Der Kooy and his colleague and friend Shawn Stange made a foray into the temporary casino business in Red Deer. The pair eventually moved the business to Medicine Hat. By 1996, they were granted a permanent casino facility licence after space was provided to them in the Medicine Hat Lodge. The Lodge is owned by the Pechet family.

OWNERSHIP & MANAGEMENT

The casino is half owned by Van Der Kooy's and Stange's company Vanshaw Enterprises Ltd. and half by the Pechets' Mayfield Investments Ltd.

RECENT EVENTS

N/A

COMPETITION

Medicine Hat is a community of 63,000 located in southeast Alberta about 300 km southeast of Calgary and 170 km east of Lethbridge. Casino by Vanshaw is the only casino in the city.

FOR FURTHER INFORMATION:

Medicine Hat Lodge
<http://www.medhatlodge.com/>

Big players tend to keep a low profile: FROM GRIME TO GLITZ/ Alberta's gaming industry has matured, moving from the dingy little gambling dens of 30 years ago to today's glamour palaces. Edmonton Journal, Aug 27, 2000. p. E8.

CASINO & RACINO GAMBLING: A TIMELINE OF EVENTS IN ALBERTA

1967	Alberta's first charitable casino opens at Edmonton's annual fair (Klondike Days).
1969	Alberta's second charitable casino opens at Calgary's annual fair (Calgary Stampede). Amendments to the Criminal Code of Canada authorize lotteries and sweepstakes. Provinces now have the authority to licence and operate lotteries and casinos.
1975	An Edmonton Kinsmen Club establishes Alberta's first not-for-profit casino.
1978	Laycraft public inquiry reports that corrupt carnival gaming activities were entrenched in Alberta.
1980	Alberta's first permanent, privately operated charitable casino (Cash Casino) opens in Calgary.
1981	Alberta's second permanent, privately operated charitable casino (Casino ABS) opens in Edmonton.
1985	Criminal Code amended, granting authority to the provinces to conduct and manage mechanical and electronic gaming devices.
1986	Casino ABS South opens in Edmonton (now Casino Edmonton)
1988	Frontier Casino opens a permanent facility in Calgary (now Stampede Casino).
1989	Province's first purpose-built casino opens in Calgary (now Elbow River Casino)
1990	Sandman Inn Casino (Edmonton) opens but closes after only seven months of operation. Palace Casino (Edmonton) opens.
1991	Video lottery terminals (VLTs) are tested at summer fairs in Edmonton and Calgary. Casino opened in the base of the Calgary Tower. It closes several years later.
1992	The VLT program is officially introduced.
1993	Slot machines were tested at the Calgary Stampede, during the Edmonton Klondike Days, and rural fairs. Casino ABS opens permanent casino facility in Lethbridge.
1994	Gold Dust Casino opens in St. Albert. The Fort McMurray casino begins as a small temporary operation.
1995	Cash Casino (Red Deer) opens permanent facility.
1996	Slot machines are introduced into Alberta's charitable casinos. Slot machines are introduced at Edmonton Northlands as part of an initiative to revitalize the horse racing industry. The Baccarat Casino opens in Edmonton. Frank Sisson's Silver Dollar Casino opens in Calgary. Casino opens in Medicine Hat.
1997	Casino Calgary opens. Jackpot Casino opens in Red Deer. Slots installed in a racetrack facility in Lethbridge.
1999	Cash Casino (Lethbridge) closes. It had operated for approximately 5 years.
2000	Casino Yellowhead (Edmonton) opens – Alberta's largest facility at 75,000-square-feet.
2001	The Alberta government introduces a new First Nations Gaming Policy, based on Alberta's unique charitable gaming model. First Nation casinos will be located on reserve land, will be regulated by the AGLC and operate under the same terms and conditions as off-reserve casinos.
2002	Moratorium restricting new casinos is removed.
2003	Province's third Racing Entertainment Centre opens in Grande Prairie.
2004	Applications for traditional casino facility licences reach stage eight (final stage) for Edmonton, Calgary, and Camrose facilities. Two application for First Nation casino facility licences reach stage eight (final stage).